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THE AGRICULTURAL SITUATION

A BRIEF SUMMARY OF ECONOMIC CONDITIONS

ISSUED MONTHLY BY THE BUREAU OF AGRICULTURAL ECONOMICS,
UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

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October 1, 1926. *L*

FAIRLY GOOD CROPS - PRICES NOT SO GOOD

It is now safe to say that the three great feed crops, corn, oats, and hay, will be reasonably ample but they are not large crops. The late rains, while undoubtedly adding to the corn crop, have kept it green so that there is a possibility of considerable soft corn even though frost holds off until late. The dairy regions are favored with an ample crop for silage. The rains were a damage to oats, much grain being ruined in shock and the harvest being generally handicapped. Certain valleys in the Corn Belt have experienced disastrous floods during the past month.

Of four chief money crops, three - cotton, wheat, and fruit - are apparently large enough to depress prices somewhat, notwithstanding the low yield of spring wheat. Potatoes, on the other hand, are neither a large acreage nor have early diggings turned out very good yields so that prices remain relatively strong.

The Cotton Belt is harvesting the largest acreage in its history. Ever since the short crop of 1921 stimulated the price, cotton growers have been increasing the acreage. The crop increased each year up to more than 16 million bales last year which was double the output of 1921. Still the price stayed at a stimulating level. The Cotton Belt has had three relatively prosperous years. This fall the probable supply of cotton appears large enough so that the price has declined materially. This drop in the price of cotton is reducing the purchasing power of the South below recent years and casts a shadow over the nation-wide picture of agricultural returns.

The fall in price of cotton coupled with that in fruits and wheat, etc., have brought the general index of purchasing power of farm products down from 93 in August last year to 82 this August. While the whole price level has been falling farm products have fallen faster. Last year it was the unbalance between livestock and feed supplies which most disturbed the farmers' price structure but with this fairly well corrected the great cash crops are now the ones to encounter difficulties. The problem of restoring an equilibrium in exchange relations as between agriculture and the rest of the community is evidently not yet settled.

KEY REGIONS AT A GLANCE

THE EAST - Much rainy weather. Damaged cats and handicapped work. Benefited corn and potatoes. Silage generally ample. Apple growers discouraged over low prices. Dairy situation continues favorable. General tone of region about like last fall.

THE SOUTH - Cotton damaged in certain Gulf areas and southern Florida citrus fruit crop ruined by recent storm. Cotton picking generally going forward at fair rate. Labor rather scarce in west. Considerable insect damage. General sentiment grows less optimistic as price of cotton falls.

CORN BELT - Great deal of rain. Floods in Iowa and Indiana. Some corn damaged in lowlands but greatest effect of rainy weather in keeping corn green and delaying maturity. Also considerable damage to oats in shock. If frost holds off another week or two general expectation is for an average corn crop. Cattle feeders not optimistic. Hog producers apparently still regard their position as favorable.

WHEAT BELT - Finishing up spring wheat harvest. Crop disappointing. Seeding of new winter wheat crop well along with conditions favorable except for rains in eastern belt and dry spots in western Nebraska and Kansas. General sentiment one of optimism in winter wheat States but much less so up in spring wheat States.

RANGE COUNTRY - Some unfavorable storms and cold waves in north. Ranges and stock in good condition, on the whole. Range curing well in Wyoming and Colorado. Cattle moving eastward and shipments of sheep heavy. Harvest of irrigated crops going forward. General tone of region reflects fairly good season.

PACIFIC COAST - Weather generally favorable and harvest of late fruits and field crops well along. Seeding of fall grains practically finished in north. Threshing rice, picking cotton, digging sugar beets, etc., in south. General sentiment fairly optimistic.

THE TREND OF CROP PRODUCTION

	1913 Production	5-Year Av. 1921-1925 Production	1925 Production	1926 September 1 Forecast
	Millions	Millions	Millions	Millions
Winter wheat, bu.	523	549	396	626
Spring wheat, bu.	240	253	271	212
All wheat, bu.	763	802	666	839
Corn, bu.	2,447	2,849	2,905	2,698
Oats, bu.	1,122	1,327	1,512	1,264
Flaxseed, bu.	18	17.8	22	19
Cotton, bales	14.1	11.5	16.1	15.8
Rice, bu.	25.7	36	34	39
Potatoes white, bu.	332	396	326	352
Sweet potatoes, bu.	59	84	62	79
Tobacco, lbs.	954	1,290	1,374	1,306
Hay, all, tons	64	90	87	79
Apples, total, bu.	145	170	172	242
Apples, commercial, bbls.	---	30.1	33	42
Peaches, bu.	---	47	47	66

Total acreage in 21 cultivated crops about 2 per cent above that harvested last year.

Composite crop condition on September 1 had improved about 2 per cent over month previous but was about 2 per cent below the 10-year average conditions on that date.

* Forecast as of September 16.

AVERAGE PRICES OF FARM PRODUCTS RECEIVED BY PRODUCERS

September 15, 1926.

Actual prices received by producers at local farm markets as reported to the Division of Crop and Livestock Estimates of this Bureau. Average of reports covering the United States, weighted according to relative importance of district and State.

	5-Yr. Av. Aug. 1909- July, 1914	September Average 1910-1914	Sept. 1925	Aug. 1926	Sept. 1926
Cotton, per lb.	¢ 12.4	12.2	22.5	16.1	16.8
Corn, per bu.	¢ 64.2	69.6	98.8	79.5	76.2
Wheat, per bu.	¢ 88.4	87.7	144.4	125.1	117.7
Hay, per ton	\$ 11.87	11.39	12.42	13.04	12.88
Potatoes, per bu.	¢ 69.7	74.4	121.1	140.5	130.6
Oats, per bu.	¢ 39.9	38.8	38.1	37.9	35.6
Beef cattle, per 100 lbs.	\$ 5.22	5.09	6.27	6.29	6.48
Hogs, per 100 lbs.	\$ 7.23	7.49	11.50	11.66	12.07
Eggs, per dozen	¢ 21.5	20.6	31.1	26.4	31.5
Butter, per lb.	¢ 25.5	25.0	41.1	39.0	40.9
Butterfat, per lb.	¢ ----	----	42.6	38.6	40.5
Wool, per lb.	¢ 17.7	17.0	37.8	31.9	32.6
Veal calves, per 100 lbs.	\$ 6.75	6.78	9.07	9.54	10.06
Lambs, per 100 lbs.	\$ 5.91	5.47	11.95	11.12	11.32
Horses	\$142.00	142.00	77.00	80.00	78.00

The general level of farm prices increased from 133 to 134 per cent of the pre-war level from August 15 to September 15. This is 10 points below September a year ago.

The farm prices of all crops except cotton decreased from August 15 to September 15. The prices of feed grains moved downward in sympathy with corn prices. Farm prices of wheat declined largely because of a shift from an old to a new crop basis, especially in the spring wheat States. The farm price of cotton increased during this period partly because of a change from low grade and low priced old crop cotton to a new crop of better grade in many of the southern States. The farm prices of all livestock and livestock products except horses increased during this period. While the farm prices of eggs have been below those of a year ago since June, on September 15 the price advanced to a point slightly above September, 1925. The long expected and wished for strengthening of fat cattle prices which has been in evidence for the past few weeks was reflected in the increased farm price of beef cattle for September 15.

PRICE INDEXES FOR AUGUST, 1926.

Farm products figures from this Bureau; commodity groups from Bureau of Labor Statistics, (latter shown to nearest whole number). Shows year ago and latest available month:

Farm Products

(Prices at the farm; Aug. 1909 - July, 1914 = 100)

	Aug. <u>1925</u>	July <u>1926</u>	Aug. <u>1926</u>	Month <u>Trend</u>
Cotton	189	124	130	Higher
Corn	166	111	124	Higher
Wheat	170	144	142	Lower
Hay	103	109	110	Higher
Potatoes	223	251	202	Lower
Beef cattle	127	124	121	Lower
Hogs	168	175	161	Lower
Eggs	140	120	123	Higher
Butter	157	153	153	Unchanged
Wool	214	179	179	Unchanged

Commodity Groups

(Wholesale Prices; 1910 -1914 = 100) 1/

	Aug. <u>1925</u>	July <u>1926</u>	Aug. <u>1926</u>	Month <u>Trend</u>
Farm products	163	141	138	Lower
Food, etc.	158	153	150	Lower
Cloths & clothing	193	177	178	Higher
Fuel & lighting	197	205	208	Higher
Metal and met. products	136	135	136	Higher
Building materials	178	177	177	Unchanged
Chemicals, etc.	133	129	129	Unchanged
House-furnishing goods	175	167	166	Lower
ALL COMMODITIES	163	153	152	Lower

1/ Bureau of Labor Statistics index numbers converted to 1910-1914 base.

Relative Purchasing Power

(At August, 1926, Farm Prices)

Aug 1909 - July, 1914 = 100

Of a Unit of:

In terms of:	<u>Cotton</u>	<u>Corn</u>	<u>Wheat</u>	<u>Hay</u>	<u>Potatoes</u>
All commodities	85	82	93	72	133
Cloths, etc.	73	70	79	62	113
Fuel, etc.	62	59	68	53	97
Metals, etc.	96	91	104	81	149
Bldg. materials	73	70	80	62	114
House-furnishing goods	78	74	85	66	121

	<u>Beef cattle</u>	<u>Hogs</u>	<u>Eggs</u>	<u>Butter</u>	<u>Wool</u>
All commodities	80	106	81	101	118
Cloths, etc.	68	90	69	86	101
Fuel, etc.	58	77	59	73	86
Metals, etc.	89	119	90	113	132
Bldg. materials	68	91	69	86	101
House-furnishing goods	73	97	74	92	108

Although potatoes dropped materially in price during August, they are the only major crop showing an index of purchasing power probably high enough to stimulate production.

Except for beef cattle (especially referring to the feeding end of the industry) the leading livestock products have a fairly advantageous exchange value.

The general index of purchasing power of farm products, in terms of non-agricultural commodities again declined three points from the month previous and stood at 82, the five pre-war years being considered as 100. One year ago this index stood at 93. This latest figure of 82 represents the lowest point reached in 26 months.

GENERAL BUSINESS INDICATORS
RELATED TO AGRICULTURE

	1925 Aug.	1926 July	1926 Aug.	Month's Trend
<u>PRODUCTION</u>				
Pig iron daily (Thou. tons)	87	104	103	Decrease
Bituminous coal (Million tons)	45	43	46	Increase
Steel ingots (Thou. long tons)	3,421	3,651	4,005	Increase
<u>CONSUMPTION</u>				
Cotton by mills (Thou. bales)	449	461	501	Increase
Unfilled orders Steel Corp. (Thou. T.)	3,513	3,603	3,542	Decrease
Building contracts (Million dollars)	521	443	528	Increase
Hogs slaughtered (Thousands)	1,586	1,873	1,710	Decrease
Cattle " "	1,281	1,168	1,171	Increase
Sheep " "	998	912	1,058	Increase
<u>MOVEMENTS</u>				
Bank clearing (N.Y.) (Billion dollars)	20	24	22	Decrease
Car loadings (Thousands)	4,321	5,245	4,418	Decrease
Mail order sales (Million dollars)	29	32	32	Same
Employees, N. Y. State Factories (Thou.)	487	486	489	Increase
Av. price 25 indus. stocks (Dollars)	158	163	172	Increase
Interest rate (4-6 mo. paper, N. Y.)	4.00	3.95	4.31	Increase
Retail Food price Index (Dept. Labor)*	160	157	156	Lower
Wholesale Price Index (Dept. Labor)*	160	151	149	Lower

The slump in business which was prophesied early in the year in some quarters has not materialized. Business is going well. Employment is practically complete and wages remain high. The expansion of business activity which usually comes in the fall is apparently beginning. Most authorities foresee an active and prosperous finish for the year so far as urban industry is concerned.

Data on this page, excepting livestock slaughter and price indexes, are from the "Survey of Current Business", Bureau of the Census, U. S. Department of Commerce.

* 1913 = 100

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GENERAL TREND OF WAGES AND PRICES

1910-1914 = 100

<u>Year and Month</u>	<u>General Wage Level*</u>	<u>Farm Wages 2/</u>	<u>Retail Price of Food 1/</u>	<u>Wholesale Price of food 1/</u>	<u>Wholesale Price all Commodities #</u>
1910	---	97	96	100	103
1911	---	97	95	96	95
1912	---	101	101	103	101
1913	---	104	103	99	102
1914(June)	100	101	106	101	100
1915	101	102	104	104	103
1916	114	112	117	120	129
1917	129	140	151	166	180
1918	160	176	174	187	198
1919	185	206	192	205	210
1920	222	239	210	218	230
1921	203	150	158	143	150
1922	197	146	146	137	152
1923	214	166	151	143	156
1924	218	166	150	143	152
1925	223	168	160	156	162
<u>1925</u>					
January	223	156	159	159	163
February	220	---	156	156	164
March	224	---	156	158	164
April	218	163	155	153	159
May	221	---	156	152	158
June	220	---	160	154	160
July	220	170	165	156	163
August	222	---	165	158	163
September	223	---	164	159	163
October	225	173	167	157	160
November	226	---	172	159	160
December	229	---	171	156	159
<u>1926</u>					
January	229	159	169	155	159
February	225	---	166	152	158
March	229	---	165	150	154
April	227	166	167	152	154
May	226	---	166	153	154
June	228	---	165	156	155
July	227	174	162	153	153
August	227	---	161	150	152

1/ Bureau of Labor Statistics index numbers converted to 1910-1914 base.

2/ Index based on both monthly and daily wages.

* Average weekly earnings, New York State factories.

Bureau of Labor Statistics.

NEW INDEX OF GENERAL TREND OF PRICES
On Five-Year Base, August, 1909 - July, 1914 = 100

Year and Month	Index numbers of farm prices							Wholesale Prices of Non-Agricultural Commodities 1/	Relative power of Farmer's Product 2/
	Grains	Fruits and Vegetables	Meat Animals	Dairy & Poultry Products	Cotton and Cotton-seed	Unclassified	All Groups 30 Items		
1910	104	91	103	101	113	102	103	102	101
1911	96	106	87	95	101	103	95	96	99
1912	106	110	95	103	87	106	99	100	99
1913	92	92	108	100	97	94	100	105	97
1914	103	100	112	101	85	95	102	97	105
1915	120	83	104	99	78	95	100	101	99
1916	126	123	120	106	119	100	117	138	85
1917	217	202	173	133	187	130	176	182	97
1918	226	162	202	160	245	157	200	188	107
1919	231	189	206	182	247	162	209	199	105
1920	231	249	173	197	248	152	205	241	85
1921	112	148	108	151	101	90	116	167	69
1922	105	152	113	135	156	94	124	168	74
1923	114	136	106	147	216	109	135	171	79
1924	129	124	109	137	211	100	134	162	83
1925	156	160	139	143	177	92	147	165	89
Aug.									
1921	103	178	112	139	91	86	116	156	74
1922	100	129	114	125	166	86	120	182	66
1923	109	151	104	138	190	101	128	167	77
1924	141	138	116	123	219	103	139	159	87
1925	157	178	149	139	186	96	152	164	93
1926									
Jan.	143	214	140	153	138	87	143	165	87
Feb.	140	218	146	144	142	87	143	164	87
Mar.	133	220	147	137	133	85	140	162	87
Apr.	131	253	146	133	135	83	140	160	88
May	131	240	148	131	130	82	139	160	87
June	130	216	154	130	132	81	139	160	87
July	125	195	152	131	126	81	135	159	85
Aug.	128	166	144	130	130	81	132	160	82

1/ Computed by Bureau of Labor Statistics from wholesale prices of all commodities except those from United States farms. 1910-1914 = 100. 2/ The value of a unit of the farmer's product in exchange for non-agricultural products at wholesale prices, compared with pre-war values. Obtained by dividing index of all groups (30 items) by the index of the wholesale prices of non-agricultural products.

THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, sheep receipts at primary markets; butter receipts at five markets, compiled by this bureau. All figures given to nearest thousand, that is, three ciphers omitted.

Month	WHEAT Receipts Th. bu.	CORN Receipts Th. bu.	HOGS Receipts Thousands	CATTLE Receipts Thousands	SHEEP Receipts Thousands	BUTTER Receipts Th. lbs.
1920 Total	332,314	210,332	42,121	22,197	23,538	402,755
1921 "	435,606	340,908	41,101	19,787	24,168	468,150
1922 "	413,106	378,598	44,068	23,218	22,364	526,714
1923 "	386,430	271,858	55,330	23,211	22,025	545,380
1924 "	482,007	278,719	55,414	23,695	22,201	587,477
1925 "	346,381	223,604	43,929	24,067	22,100	574,489
1920 Aug.	40,832	9,228	2,491	1,963	2,606	44,446
1921 "	68,919	30,061	2,656	1,867	2,500	51,923
1922 "	59,694	24,708	3,037	2,149	1,951	50,915
1923 "	63,012	20,845	3,714	2,214	1,800	47,497
1924 "	88,461	18,841	3,196	1,934	2,005	57,282
1925 "	41,928	17,488	2,549	2,245	2,064	57,556
1926 Jan.	19,076	28,268	4,304	1,840	1,548	39,424
" Feb.	15,923	25,718	3,372	1,551	1,486	39,507
" Mar.	15,052	20,080	3,579	1,811	1,695	46,077
" Apr.	13,458	12,589	3,135	1,711	1,502	45,501
" May	15,260	11,972	3,037	1,894	1,717	54,464
" June	18,505	23,912	3,143	1,871	1,913	75,931
" July	68,200	13,353	2,854	1,821	1,739	68,393
" Aug.	67,952	11,513	2,804	1,997	2,277	50,476

Movement of wheat to market during August continued relatively heavy. Corn moved in light volume.

Market movement of hogs again slightly above last year; cattle and butter somewhat below last year; sheep and lambs relatively heavy

THE TREND OF EXPORT MOVEMENT

Compiled from the Department of Commerce reports by Division of Statistical Research of this Bureau.

Month	WHEAT 1/ including flour	TOBACCO Leaf	BACON** HAMS AND SHOULDERS	LARD	TOTAL* MEATS	COTTON# running bales
	1,000 Bushels	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Bales
1920 Total	311,601	467,662	821,922	612,250	1,043,500	6,111
1921 "	359,021	515,353	647,680	868,942	786,280	6,385
1922 "	235,307	430,908	631,452	766,950	733,832	6,015
1923 "	175,190	474,500	828,890	1,035,382	958,472	5,224
1924 "	241,454	546,555	637,980	944,095	729,832	6,653
1925 "	138,786	468,469	467,459	688,829	547,361	8,362
1920 August	32,896	41,239	32,693	31,021	39,361	145
1921 "	67,338	52,815	77,574	87,411	89,258	416
1922 "	39,198	28,958	51,353	68,907	60,443	268
1923 "	20,183	33,480	69,194	83,758	80,112	241
1924 "	21,296	33,410	52,367	75,937	60,170	272
1925 "	12,067	34,890	31,770	45,740	38,251	323
1926 January	5,587	46,891	46,654	76,670	53,833	735
" February	4,742	47,147	57,187	65,356	45,292	545
" March	7,039	36,167	34,133	64,259	40,641	512
" April	6,452	43,388	31,410	63,160	37,947	506
" May	12,558	27,431	30,104	58,154	35,197	412
" June	11,210	30,762	23,861	56,482	29,959	339
" July	19,811	29,760	22,457	45,879	28,221	356
" August	35,774	26,263	29,090	54,273	34,762	385

* Includes fresh, canned and pickled beef, bacon, hams and shoulders; fresh, canned, and pickled pork; fresh mutton and lamb.

** Includes Cumberland and Wiltshire sides.

Excludes linters.

1/ Wheat flour is converted on a basis of 4.7 bushels grain equal 1 barrel of flour.

COLD STORAGE SITUATION

September 1 holdings (Shows nearest million, six figures omitted):

<u>Commodity</u>	<u>5-Year Average</u>	<u>Year Ago</u>	<u>Month Ago</u>	<u>September 1, 1926</u>
Creamery butter, lbs.	118	126	131	138
American cheese, lbs.	63	77	74	81
Case Eggs, cases	9,070*	9,873*	9,845*	9,563*
Total poultry, lbs.	33	48	36	39
Total beef, lbs.	51	45	46	42
Total pork, lbs.	659	584	643	620
Lard, lbs.	125	115	154	151
Lamb & mutton, lbs.	2,927*	1,339*	1,813*	1,928*
Total meats, lbs.	779	695	748	723

Dairy products continued to flow into storage during August and stocks are above the average.

Stocks of eggs in storage declined, as is usual during the month, but are above average though less than last year.

Stocks of pork also declined during August in line with seasonal trend but the shrinkage was not equal to last year. Stocks of pork now not far from average and lard above average. Beef stocks relatively light. Stocks of lamb and mutton increasing.

Relative increase in meat stocks represents a significant item in the storage situation.

* Thousands, or three figures omitted.

THE DAIRY SITUATION

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Plentiful rains which have occurred throughout principal dairy producing sections make the immediate production outlook somewhat different than it was a month ago. The favorable effect is noted in an improved condition of pastures and to some extent by the recent heavier arrivals of butter at important wholesale markets. The final influence upon later fall production, however, can be better measured a month from now than at present. Evidence of the change already noticeable is found in market receipts, and it appears that September receipts of butter will approximate those of last year, while in August there was a reduction of fully 12.5 per cent under 1925. Many of the distributing trade feel that even though butterfat prices are a few cents lower than a year ago, production during the fall months will exceed that of 1925, those holding this view pointing to the fact that in addition to the improved pastures, feed is also cheaper which should tend to stimulate production. September cheese production is apparently increasing some, but does not give the same promise of increase as does butter production, for receipts at warehouses in the Wisconsin district through the third week of the month were running 12 per cent below those of last year, which is but slightly different than in August. Reports covering the output of condenseries are not yet available for the period which would be most influenced by the improved weather and pastures, but up to September 1 there had been a steady tendency toward a decrease under 1925, particularly during the months of July and August. For the first 6 months of 1926 condensed and evaporated milk production was 5 per cent greater than in 1925, but by the end of August the increase over a corresponding period last year had been cut down to approximately 1 per cent.

There has been quite an active movement of butter from storage since the peak of holdings was reached September 1. On that date, total United States stocks of 138,000,000 pounds were 10 million pounds or 7.6 per cent heavier than on September 1, 1925, whereas on August 1 the surplus was 20 per cent. Since the first of September the outward movement of stocks has been slightly heavier than last year in cities where weekly reports are available. Cheese stocks likewise are working to a stronger position, with the change since the first of the month being a decrease rather than an increase such as occurred during September last year, so that when the October report of total United States holdings becomes available it may even show a reversal in the situation from that of September 1, when there was a surplus over 1925. Coming to canned milk, manufacturers' stocks were practically the same on the first of September as they were on August 1, but August is a month during which there have been increases some years and decreases others. The tendency in August is for these stocks to be reduced somewhat, but in view of the lighter production already referred to, the relatively heavy stocks seem not to be exerting any depressing influence.

Wholesale prices of butter and cheese are still a few cents lower than in 1925. The usual seasonal tendency upward has been followed, however, butter having made a net gain of about 2 cents and cheese 1 cent, during the first 4 weeks of the month. Prices to producers supplying condenseries are lower than a year ago but for city market milk they are slightly higher.

L. M. Davis,
Division of Dairy and Poultry Products, B. A. E.

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DAIRY SITUATION

(Thousand lbs., i.e., 000 omitted)

BUTTER SUMMARY

	AUGUST			JANUARY - AUGUST, INCLUSIVE		
	1926	1925	% Change	1926	1925	% Change
Production (1)						
Creamery	130,055	136,738	- 4.9	959,015	972,053	- 1.4
Farm	58,638	59,649	- 1.7	416,092	423,266	- 1.7
Total	188,693	196,387	- 3.9	1,375,107	1,395,319	- 1.5
Net imports	170 Ex.	16 Im.	--	+ 446 Im.	1,777 Im.	--
In Storage (1st)	131,152	109,075	--	52,785	65,694	--
In Storage (end)	138,169	128,403	--	138,169	128,403	--
Trade Output	181,506	177,075	+2.5	1,290,169	1,334,387	- 3.3
Milk Equivalent	3,811,626	3,748,575	+2.5	27,093,549	28,022,127	- 3.3
Receipts 4 mkts	57,134	65,308	-12.5	478,376	471,380	+ 1.5

CHEESE SUMMARY

Production (2)	38,220	47,204	-19.0	307,938	315,400	- 2.4
Net imports	6,266	3,726	--	37,484	29,167	--
In Storage (1st)	90,053	83,568	--	76,649	67,558	--
In Storage (end)	97,997	95,472	--	97,997	95,472	--
Trade output	36,542	39,026	- 6.4	324,074	316,653	+ 2.3
Milk Equivalent	365,420	390,260	- 6.4	3,240,740	3,166,530	+ 2.3
Rec'ts Wisconsin warehouses	25,760	31,858	- 19.2	196,846	199,285	- 1.2

CONDENSED AND EVAPORATED MILK SUMMARY

Production (3)	134,452	155,436	- 13.5	1,215,617	1,296,290	- 6.2
Net exports	7,793	13,120	--	78,888	99,534	--
In Mfrs' hands (1st)	241,981	194,865	--	156,272	123,428	--
In Mfrs' hands (end)	241,489	212,903	--	241,489	212,903	--
Trade output	127,151	124,278	+ 2.3	1,051,512	1,107,281	- 5.0
Milk Equivalent	317,877	310,695	+ 2.3	2,628,780	2,768,202	- 5.0

TOTAL MILK EQUIVALENT - BUTTER, CHEESE AND CONDENSED MILK

Production	4,680,883	4,984,757	- 6.1	34,995,670	35,696,424	- 2.0
Trade output	4,494,923	4,419,530	+ 1.7	32,963,069	33,956,859	- 2.9

DRY MILK

Skim milk (Stock Sept.1)	12,096	6,096	--	1/1/26 - 4,399	1/1/25 - 6,735	--
Dry milk (net)	64 Ex.	332 Im.	--	1,260 Im.	670 Im.	--

(1) Estimated from Receipts on 4 principal markets.

(2) Estimated from Receipts at Wisconsin Warehouses.

(3) Compiled from special reports to this Bureau.

T. R. Pirtle,
Division of Dairy and Poultry Products., B. A. E.

THE EGG AND POULTRY SITUATION

The statistical position of the egg market improved materially during September. Receipts at the four markets showed a heavy seasonal shrinkage over the previous month, although they were slightly heavier than those of last year. As the receipt of fresh stock decreased, storage stocks were drawn upon to make up the deficiency, resulting in a comparatively heavy out-of-storage movement which, during September, amounted to over 100,000 more cases than in the same month of 1925 in the four markets and to nearly 300,000 cases in the 26 markets.

This improved situation was reflected in a gradual but steady price advance which continued throughout the first three weeks of the month. Toward the end of the month, however, the higher prices prevailing seemed to be affecting consumption unfavorably and, with the continued free use of storage stock, receipts appeared to be backing up somewhat. This resulted in a weaker condition and a reaction in price. Prices of fresh eggs are materially below those of last year, but refrigerator eggs are fully as high as a year ago. December futures strengthened during the first part of September, because of the heavy out-of-storage movement, but sentiment turned slightly easier following the recent price advances, and it will take continued favorable developments to maintain or improve the present price level.

Receipts of dressed poultry at the four markets during the month have run over 25 per cent heavier than last year. Current consumption has not been sufficient to absorb the increase and, in consequence, some of the best stock has gone to the freezers and storage stocks at both the four and the 26 markets have increased moderately in contrast to a decrease during the same period last year. This has brought the total holdings in these markets much closer to last year's figures than was the case a month or two ago and makes it appear likely that holdings for the entire United States on October 1 will not be much in excess of the 1925 holdings. Prices on practically all classes of fresh dressed poultry remain higher than a year ago.

Trade in frozen poultry is dull and prices weaker. Turkeys especially are moving very slowly and prices are lower than a month ago in spite of comparatively light holdings.

Arrivals of live poultry at eastern markets have been heavy on account of the Jewish holidays. Current consumption was adequate to take care of the receipts early in the month which moved at firm prices. Later receipts proved too heavy, and the market weakened under pressure to effect a clearance, but steadied again toward the close of the month as the situation improved. Live poultry prices at western points are working towards lower levels as receipts increase and dressers at some points are showing a tendency to operate at less than full capacity in expectation of more favorable prices later.

Rob. R. Slocum,
Division of Dairy and Poultry Products, B. A. E.

POULTRY AND EGG SITUATION

(Thousands, i. e., 000 omitted)

Stocks in Storage September 1, 1926 - United States

	Shell eggs (Cases)	Frozen eggs (Pounds)	Dressed poultry (Pounds)
1926	9,563	52,630	38,610
1925	9,873	47,099	47,946
Change	- 310	+ 5,531	- 9,336
Per cent	- 3.1	+ 11.7	- 19.5
% change from 5 yr.av.	+ 5.4	+ 45.8	+ 18.0

Imports and Exports of Poultry and Eggs Jan. 1 - Aug. 31, 1926

	Imports	1926	1925	Exports	1926	1925
Shell eggs (Dozens)		161	477		19,402	16,801
Whole eggs, dried (Lbs)		390	629			
Whole eggs, frozen "		5,550	6,180			
Yolks, dried (Lbs.)		1,978	3,258	(1)		(1)
Yolks, frozen "		2,401	3,650	339		192
Egg albumen, dried (Lbs.)		1,963	2,606			
Egg albumen, frozen, prepared or preserved (Lbs.)		1,921	2,043			
Live poultry, (Lbs.)		549	230	406		526
Dressed poultry, (Lbs.)		3,928	1,203	(2)3,026	(2)	4,855
Poultry prepared in any manner(Lbs)		293	272	--		--

1/ Includes all forms of frozen and dried eggs.

2/ Includes game.

Receipts and Apparent Trade Output at Four Markets - Eggs (Cases)

	AUGUST			J A N . 1 - AUGUST 3 1		
	Receipts	Net Storage Movement	App. Trade Output	Receipts	Net Storage Movement	App. Trade Output
1926	1,025	- 104	1,129	12,010	+ 2,757	9,253
1925	1,042	- 11	1,053	12,298	+ 3,235	9,063
Change	- 17		+ 76	- 288		+ 190
Per cent	- 1.6		+ 7.2	- 2.3		+ 2.1

Receipts and Apparent Trade Output at Four Markets - Dressed Poultry (Lbs)

	AUGUST			J A N . 1 - AUGUST 3 1		
	Receipts	Net Storage Movement	App. Trade output	Receipts	Net Storage Movement	App. Trade Output
1926	22,933	+ 774	22,159	156,977	-48,605	205,582
1925	17,466	- 4,130	21,596	144,135	-57,164	201,299
Change	+ 5,467		+ 563	+ 12,842		+ 4,283
Per cent	+ 31.3		+ 2.6	+ 8.9		+ 2.1

POTATO MARKET SITUATION

The potato season is like 1925 in having a considerable crop shortage, also the apparent absence of any especially serious competition to be expected from other sources, and the indicated good demand. Important differences are the lateness of the season in the East, the 7 per cent greater production, as last reported, and a relatively larger supply indicated for mid-western markets.

PRODUCTION

Much of the gain shown by the September estimate was in the Central West, especially in the Great Lakes region, where the rains of late summer did a great deal of good. Three eastern potato States reported decreases to the extent of fully a million bushels for Maine, New York, and Pennsylvania together. The early States, now almost through shipping, did not change much. The Far West also about held its own, but local reports arriving since the time of the September estimate show considerable trouble with the Colorado crop.

As compared with last season more than half the estimated total gains of 26 million bushels are represented by an increase of about 15 million, comprising 6 million for New York, 4 million for Michigan, and 5 million for Wisconsin.

The season is late in the East and much could happen near the end. Rains might increase the yield, or, on the other hand, surplus moisture late in the season might favor undesirable second growth or blight and decay. Danger of frost always threatens a late maturing crop, especially in Maine and the Lakes region. In western New York, the excessive moisture was said to be causing overgrowth of the vines and comparatively small tubers, and some late blight was reported the middle of September. The season's estimated shortage really comes from acreage, not from yield. During the past five years or more, acreage has been tending downward. At the same time, owing to better seed and improved methods of culture, the yield, even in poor years, has been higher than the old 10-year average. Since the shortage of potatoes is mainly in acreage and the estimated yield per acre is nearly 110 bushels, or close to the 5-year average, the possibilities of late improvement are not so great as they would be in an early season of large acreage and low midseason condition.

SHIPMENTS

Unlike last season, there was no great early shortage to be made up from the late crop, which means that the main-crop shipping season this year lacks some of the flying start obtained last year because of the deficiency that followed the severe drought in the early shipping States.

COMPETING CROPS

Canada's potato crop is short again. Perhaps there are 2 million bushels more than in 1925, but it is still a light crop. Canada may be in position to increase slightly the 8,000 carloads of last season, but the tariff of 50 cents per 100 pounds tends to restrict further importations from the North, and the Canadian home consumption of potatoes is relatively

greater than in this country. Potatoes from Europe are shut out of the markets of the United States and Canada by quarantine, exactly as they were last season.

Sweet potatoes at 79,000,000 bushels production are fully one-fifth more abundant than last season. The production figures are still about 6,000,000 bushels below the 5-year average. although the States chiefly supplying the northern markets, as a group, show more than average production and are far ahead of last season. Since there was no shortage in market supplies last season, notwithstanding the short crop, it may be assumed that the carlot shipments of sweet potatoes will be about as usual this year, depending considerably on the price. Rather large crops of cabbage and onions are expected and prices lately have been below last season's level.

Plainly, there should be a good opening for the southern potato throughout the coming season, judging from the present crop situation with northern potatoes well below average quantity. The only indication now from the South is the report that Florida truck growers intend to increase their acreage of vegetables.

PRICES

Usually, but not always, prices of main-crop potatoes dip lower in October and early in November before any winter rise begins. Last year, the advance began suddenly and violently during the last half of October, owing to a general realization of the crop shortage and to further reports of damage. As a rule, if there is a prolonged rise in the late market it begins toward the middle of November because of decreasing shipments at that time and the more active buying of supplies for winter use. Changes in supply and price have been sharp and frequent from the beginning of the present potato market and shipping season. Producers who were not able to sell at the best prices of September may hopefully store part of their crop if storage facilities are good. This hopefulness would be based on a well-known fact that the general price level usually has been well sustained in short crop seasons, often advancing sharply at times in winter and spring. This year's production being somewhere between those of the last 2 years, and 7 to 8 per cent larger than last season, the price would hardly be expected to run up to the average of more than \$3.50 per 100 pounds recorded at Chicago during last winter for main-crop potatoes. No doubt the market at recent levels between \$2 and \$3 will be quite sensitive to further changes in the crop situation. Last season the average carload price at Chicago advanced from \$2 per 100 pounds in September to \$3.98 in March. In the very short season of 1919-20 the gain was from \$2.85 in September to \$5.48 in March. In 1916-17, an extremely short crop year, the September average was \$2.29, and the following March \$3.81. Back in 1911-12, another season of light production, the September price average at Chicago was \$1.54 and the following March it was \$2.08. Estimated production per consumer was much the same in all those short crop seasons, that is, around 3 bushels to each inhabitant. This year the average is almost exactly 3 bushels per capita, based on the September estimate of production.

G. B. Fiske,

Division of Fruits and Vegetables, B. A. E.

THE GRAIN MARKET SITUATION

Wheat harvest in the Northern Hemisphere has now been practically completed, and reports from the principal producing countries outside of Russia and China indicate a crop about the same as last year. The distribution of the crop, however, differs materially from that of last year. The European crop, according to latest estimates, is about 8 per cent below that of last year. The Canadian crop is about 12,000,000 bushels smaller than last year, but the smaller crops in these countries have been more than offset by the increase of about 173,000,000 bushels in the United States crop.

According to the September 1 estimate, the spring wheat crop in the United States will total about 212,000,000 bushels, which is about 59,000,000 bushels smaller than last year's crop. Of the spring wheat production in Minnesota, the Dakotas and Montana, nearly 48,000,000 bushels is durum. These same States produced about 66,500,000 bushels of durum last year. The increase in the United States crop is in the winter wheat, of which about 626,000,000 bushels, or 230,000,000 bushels more than last year was harvested. Both the hard and soft winter wheat crops were increased, but our exportable surplus will consist principally of hard winter wheat, durum and the soft wheats on the Pacific Coast. It is variously estimated that from 200,000,000 to 225,000,000 bushels will be available for export this year, and nearly a third of this amount has already gone out as wheat or flour.

The demand for wheat has been rather active considering the size of the crop. The quality of the hard winter wheat was especially good, and mills have been active buyers of the best milling types ever since the movement began. Exporters have also been active buyers, partly as a result of delayed marketing in Europe because of rains and wet weather in many of the producing countries. There has been a good demand for the better grades of spring wheat, but rains during the early part of September damaged unthreshed grain with the result that a large percentage of the receipts have been of damp or damaged grain for which there has not been an active market demand. World prices as reflected by Liverpool quotations have held firm, and at this writing (September 22) Liverpool September quotations were about 10 cents higher than at the beginning of the new crop year July 1. They are also about 5 cents higher than at the corresponding time last year. United States prices, however, as indicated by the Chicago September future prices, were about 15 cents lower than at this time last year. Spring wheat prices, according to Minneapolis September quotations, are about 3 cents lower than last year, while hard winter wheat prices, according to Kansas City September quotations, are 20 cents below last year, reflecting the larger crop of winter wheat in this country and its relation to the world crop. Canadian prices are about 10 cents higher at Winnipeg than last year, reflecting

probably the delayed movement rather than the small difference in the size of the crop. While the United States is on an export basis and prices will be lower in respect to the world prices, it seems probable that there will continue to be a good demand for the high quality wheat which the United States farmers will have available for market.

CORN

The weather was more favorable for corn during August and the crop made considerable improvement. A crop of about 2,698,000,000 bushels will be produced this year. This is about 207,000,000 bushels more than was produced last year and about 121,000,000 bushels more than was in prospect at the first of August. The crop is late, however, in Iowa and other States of the Corn Belt and good weather until about the first of October will be required to mature the crop.

The improved prospects have weakened the market somewhat and, with demand only moderate, prices have tended slightly downward since the first of September.

OATS

The oats crop has not turned out as well as was expected early in the season, and the crop, according to the September 1 estimate, will total about 1,264,000,000 bushels, or nearly 250,000,000 bushels less than was produced last year. The quality of the crop, however, is apparently not so good as last year as oats have been damaged by rain in some sections while in others they are light weight as a result of the dry weather early in the season. Receipts of good quality grain at the principal markets have scarcely been equal to the demand and the market strengthened materially since the first of September.

BARLEY

The barley crop is also smaller by about 22,000,000 bushels than last year's crop, but the grain sorghum crop is about 31,000,000 bushels larger than last year. Taken altogether, however, the crop of feed grains will be materially smaller than last year. While the carryover of these grains may be large it seems probable that the total supply of feed grains will be smaller than last year. The potential demand, particularly for corn, may be somewhat larger than last year if farmers carry out their expressed intention of increasing their hog supply.

G. A. Collier,

Grain, Hay and Feed Market News Service, B. A. E.

THE COTTON SITUATION

The 1926-27 cotton season was much delayed in getting under way due to frequent rains from early spring throughout the summer in almost all of the Cotton Belt which retarded the maturity of the plant.

Prices during the early part of the season hovered around the 18 cent level, but as the season advanced they declined, reaching a level of about $14\frac{1}{2}$ cents per pound by September 23. Present prices of Middling spot cotton are the lowest reached for the month of September since 1916 when prices stood at about $15\frac{1}{2}$ cents. Last season at this time Middling spot cotton in the South was quoted at about 23 cents. The grade of the cotton moving so far from the 1926 crop is reported generally as better than Middling with a good proportion of the higher grades. Premiums on the grades above Middling have narrowed somewhat as the season has progressed, but there has been no perceptible narrowing of the differences on the grades below middling. The season has apparently been favorable to the staple quality of the crop which seems, throughout the Belt as a whole, to be the best in years.

Attention at the moment is centered for the most part on the supply. Complete official data are not available on the carryover from the season ended July 31, 1926, but commercial reports generally accepted as reliable put the figure at about 2 million bales more than that of the season before. Much of the carryover is known, however, to be of low-grade cotton, a fact that is important in evaluating the statistics.

The production of this year as indicated by conditions on September 16, 1926, according to the estimate of the Crop Reporting Board of the Department of Agriculture, issued September 23, 1926, is 15,810,000 bales, of which the Census Bureau reported 2,511,317 bales ginned to the same date as against 4,282,066 bales ginned up to the same time last year.

World consumption of American cotton in the 1925-26 season was the largest that it has been in any year since 1915-16. During August, the first month of the 1926-27 season, domestic consumption amounted to 500,652 bales, compared with 448,665 bales for August of last season, and exports so far this season are somewhat ahead of those for the corresponding period last season, notwithstanding that less forward business has been reported this year than last year at this time. Among the more active takers of American cotton this season have been Germany and Russia, with Great Britain lagging in her American imports.

Transactions in spot cotton reported in designated southern markets in the last 10 days are larger than they were at the same time a year ago. Increasing mill inquiry is also reported, although the mills do not appear yet to have come into the market in a large way. In staple cotton there is evidence of a fair demand for higher grades but the demand for lower grade staples is said to be somewhat subsiding. Although prices of raw material have declined so far this season, reports are that the undertone in the dry goods markets has been rather firm and that fabric prices have not followed closely the decline in the raw material.

A. M. Agelasto,
Division of Cotton Marketing, B. A. E.

CONDITIONS IN COLORADO

Agricultural conditions in Colorado on September 15 are considerably below what they were a month ago and now below the 10-year average. The reduction is due to a general drought during August, and particularly the latter part of the month when exceptionally hot, dry winds prevailed over the eastern portion of the State.

The unfavorable drought conditions cut the corn prospect to 40 per cent of a crop and the beans to 50 per cent or less. There was very little beneficial rain during the month except in limited localities. Irrigation water generally continued ample under nearly all irrigation systems, and irrigated crops came through in excellent condition except where damaged by hail. Reservoir supplies for irrigation have been sufficient for most systems. All small grains have been harvested and threshing returns indicate some reductions in the final estimate.

Corn was caught in the blossom stage and there is a large percentage of barren stalks so the crop is much smaller than expected. Moisture and temperature conditions were generally unfavorable to beans. The hot weather in most sections, and a little excessive moisture and heat in others, caused blight and rust. In the dry land areas the blossoms fell off and comparatively few pods set though some fields made exceptionally high yields. Portions of the crop are still green and may yet produce a crop if frost holds off much later than usual. Considerable portions of the acreage are a complete failure. Potatoes are only fair. The vines ripened prematurely and prevented full development of the crop. The sugar beet crop is one of the best produced in recent years.

The fruit crops of the State still maintain high prospects with only seasonal depreciation. The cherry harvest has been completed and the harvest of peaches and pears in most sections, though peaches are still being harvested in Delta County. The harvest of the early lettuce was completed about the last week in August, and the late crop began to move about September 10. The early crop was disappointing account of hot weather and much of the crop going to seed. The late crop, however, is much more promising. Prices have been highly satisfactory. Cabbage and onions have made good crops though the latter has been considerably reduced by thrips. Prices for both onions and cabbage have been exceedingly disappointing, cabbage ranging around the 20 to 35 cent mark thus far this season.

An excellent crop of cantaloupes in the Arkansas Valley is nearly harvested. The crop has been of good quality and brought fair prices. Thus far no frost damage.

Pastures and ranges and hay have generally been fair to excellent above the average. All livestock are in excellent condition for this time of year. Nearly all cattle and sheep are still on the higher ranges. There have been few summer losses reported. Financial conditions have slightly improved though still unsatisfactory to cattlemen. Lambs are coming off the ranges weighing more than usual with a larger percentage fit for killers. Thus far prices have been very satisfactory to the growers. Very little contracting thus far for lambs for fall delivery to feeders, as feeders still regard the present market too high for a satisfactory outcome to the feeding operations.

W. W. Putman,

State Statistician, B. A. E.

CONDITIONS IN TEXAS

While heavy rains and showery weather have interfered with cotton picking and haying operations, they have benefited the sections that were too dry and have stimulated the preparation for fall seeding of wheat and oats. It is expected that a considerably increased wheat acreage will be sown. Food and feed crops have been good, and more farmers made their living at home than in many years. There is a strong tendency to milk more cows and to raise at least enough pork for house use.

The cotton crop is still most uncertain. It is very late this year, and insects and disease have taken a heavy toll. Dusting the plants with poison to control the insects has been very expensive, and the price of picking is increasing as the price of the commodity declines. Pickers are hard to get even at the high pay offered. Prior to September 1 only 481,000 bales had been ginned, the lowest amount for this date since 1921.

Rains are retarding the rice harvest. The crop gives promise of slightly exceeding that of last year. The largest corn crop in several years is being harvested and the grain sorghums promise a surplus for all the important counties. Both tame and wild hay have yielded well. The watermelon season as well as that of the other perishable crops is about over. Livestock and pastures continue in good condition. Fall shearing of wool and mohair is about to begin. The receipts of cattle, calves and hogs at Fort Worth have fallen short of those in 1925, but the receipts of sheep have almost doubled.

The wheat movement has been usually heavy and rapid, exports greatly exceeding those of recent years. A machine for picking cotton is being tested in south Texas. A decrease in the number of farm wagons and the increased use of motor trucks is noticeable. Tractor sales and of double-row cultivators as well as of haying machinery have been good. Labor for picking cotton and harvesting rice is scarce and the surplus in the cities is being drawn upon.

Building permits are still at a high level, particularly in Houston, Dallas, Fort Worth and Amarillo. Road construction will soon become more active following legislative action on the bond situation. Lumber orders and production are not up to the average of the past decade; prices are reacting after the relative inactivity of the summer. Bank debits to individual accounts and the number of saving depositors show an increase over a year ago. Oil production has increased particularly in the Gulf Coast and Panhandle districts. Telephone toll messages have registered a healthy increase over last year. Collections generally are satisfactory.

H. H. Schutz,
State Statistician, B. A. E.